

December 3, 2001

Subcommittee on Financial Institutions and Consumer Credit

SUBCOMMITTEE ACTION REPORT

On Thursday, September 6 and Wednesday, November 28, 2001, the Subcommittee on Financial Institutions and Consumer Credit met in open session and considered the following measure:

H.R. 1701, CONSUMER RENTAL PURCHASE AGREEMENT ACT, was approved for Full Committee consideration, as amended, by a record vote of 24 yeas and 4 nays, 1 Member voting Present (Record vote no. FI-11).

The following amendments were considered:

An amendment in the nature of a substitute by Mr. Jones of North Carolina, no. 1, clarifying preemption provisions to ensure that stronger State consumer protection laws are not preempted by weaker Federal standards, and making other technical and conforming changes, primarily to definitional provisions, and making other improvements, was AGREED TO, as amended, by a record vote of 25 yeas and 4 nays (Record vote no. FI-10).

An amendment to the amendment in the nature of a substitute by Mr. Watt, no. 1a, striking the provisions of the bill in lieu of a study, was NOT AGREED TO by a record vote of 4 yeas and 20 nays (Record vote no. FI-2).

An amendment to the amendment in the nature of a substitute by Mr. Watt, no. 1b, narrowing the applicability of the provisions of the bill to those transactions occurring with a merchant in a State in which the consumer is not a resident, was NOT AGREED TO by a voice vote.

An amendment to the amendment in the nature of a substitute by Mrs. Waters, no. 1c, addressing the preemption of State law, was NOT AGREED TO by a record vote of 11 yeas and 24 nays (Record vote no. FI-3).

[An amendment to the amendment in the nature of a substitute by Mrs. Waters, no. 1d](#), prohibiting the shifting of liability, was NOT AGREED TO by a record vote of 14 yeas and 17 nays (Record vote no. FI-4).

[An amendment to the amendment in the nature of a substitute by Mr. Watt, no. 1e](#), requiring the inclusion of charges or premiums of insurance or liability waivers in determining the rental purchase cost, was WITHDRAWN.

[An amendment to the amendment in the nature of a substitute by Mrs. Waters, no. 1f](#), creating a new definition of “cash price”, was NOT AGREED TO by a voice vote.

[An amendment to the amendment in the nature of a substitute by Mrs. Waters, no. 1g](#), defining certain practices as unfair or deceptive, was NOT AGREED TO by a record vote of 10 yeas and 14 nays (Record vote no. FI-5).

[An amendment to the amendment in the nature of a substitute by Mrs. Kelly, no. 1h](#), requiring that leased property insurance and liability waivers in rental-purchase agreements be optional to the customer, extending the statute of limitations, ensuring that the bill will only supersede inconsistent state laws to the extent of the inconsistency, and only for the period of time during which the inconsistency exists, clarifying that the Federal Trade Commission Act, with its prohibitions against unfair and deceptive trade practices, applies to rental-purchase agreements, was AGREED TO by a voice vote, as amended.

[An amendment by Ms. Waters to the amendment by Mrs. Kelly to the amendment in the nature of a substitute, no. 1h\(1\)](#), as modified by unanimous consent, extending the statute of limitations for this act another six months so suits could be brought up to one year after receipt of the last payment from the customer, was AGREED TO by a voice vote.

[An amendment to the amendment in the nature of a substitute by Ms. Waters, no. 1i](#), striking the provisions that provide merchants with no liability for errors made on model disclosure forms, was NOT AGREED TO by a record vote of 6 yeas and 19 nays (Record vote no. FI-6).

[An amendment to the amendment in the nature of a substitute by Ms. Waters, no. 1j](#), creating additional rental purchase agreement disclosures, was NOT AGREED TO by a record vote of 4 yeas and 18 nays (Record vote no. FI-7).

[An amendment to the amendment in the nature of a substitute by Ms. Waters, no. 1k](#), expanding general damage limitations, was NOT AGREED TO by a voice vote.

[An amendment to the amendment in the nature of a substitute by Ms. Waters, no. 1l](#), striking the correction of errors section, was NOT AGREED TO by a record vote of 6 yeas and 13 nays (Record vote no. FI-8).

[An amendment to the amendment in the nature of a substitute by Ms. Waters, no. 1m](#), enhancing damages for violation of advertising requirements, was NOT AGREED TO by a voice vote.

[An amendment to the amendment in the nature of a substitute by Mr. Watt, no. 1n](#), providing technical corrections to the manager's amendment, was AGREED TO by a voice vote.

[An amendment to the amendment in the nature of a substitute by Ms. Waters, no. 1o](#), creating first party liability for a violation of collection practices, was NOT AGREED TO by a record vote of 8 yeas and 18 nays (Record vote no. FI-9).

The Subcommittee adjourned at the call of the Chair.